

Goal J4: Improve Organizational Performance

- Customer Satisfaction
- Employee Satisfaction
- Employee Suggestion Program
- Transportation Security
- Emergency Response
- Succession Planning
 - Advance Leadership Academy
 - Engineer Training Rotation Program
- Absenteeism
- Employee Turnover Rate
- Lost Workdays
- Workers' Compensation Claims
- Information Technology Funding
- Equal Employment Opportunities

Customer Satisfaction

Background

The Cabinet is committed to understanding what is important to our customers, and then working to improve customer satisfaction. One of our values is satisfying our customers. We also value their involvement in what we do. From customer surveys, we know their stated priorities are safety, pavement conditions, and traffic flow. We also understand that delivery of timely, courteous service is important to our customers. Due to the overall margin of error associated with our survey, and the overall changes in satisfaction data, we have elected to conduct this survey every two years rather than annually. Our intention is to better identify shifts in trends.

Purpose

This measure is used to report and track the level of customer satisfaction with various aspects of the transportation system.

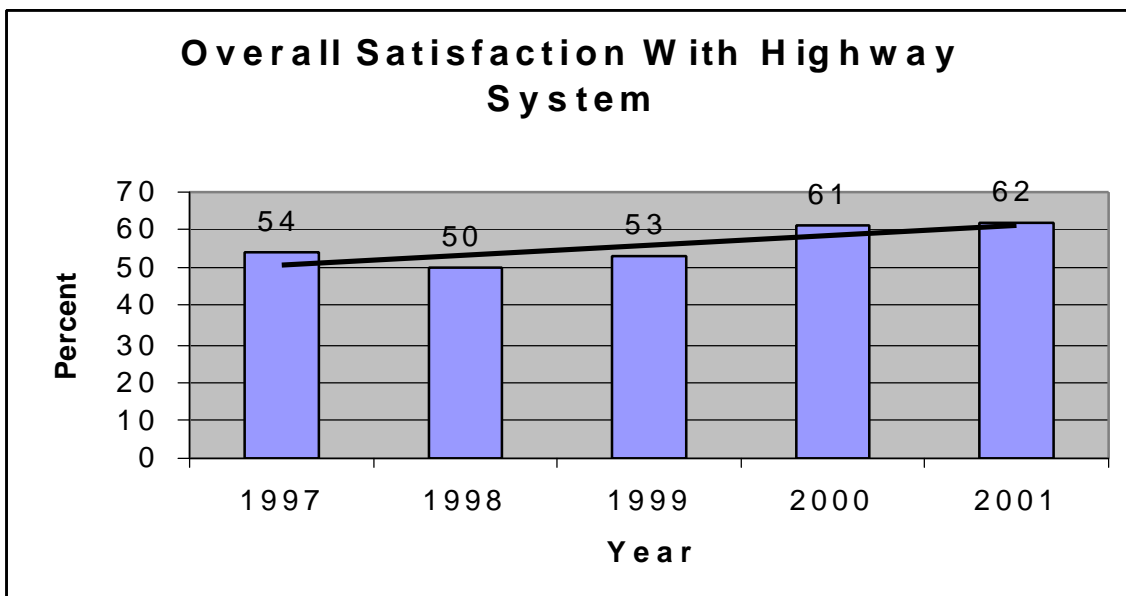
Method

The University of Kentucky Survey Research Center conducted the survey in January 2002 and provided analysis. The primary method of data collection was telephone interviews of adults that were a licensed driver 18 years old or older and had also driven on a Kentucky highway within the past year. A random selection method was used with confidence levels of 95%. Information in this section is reported as 2001 because that is how the University provided it.

Improvement/Results

Improvement is indicated, for most graphs, by an upward trendline. Comments and analysis are provided with each graph.

This year's overall satisfaction with the Highway system is up 1%. Our increasing trend indicates that we are on track to meeting the expectations of our customers. The data in the chart at the bottom reflects the customer's perception of the roadway they most often use, after they had considered various attributes.



Employee Satisfaction

Background

The Kentucky Transportation Cabinet seeks to attract, develop, involve, and retain qualified people. To achieve this, we must provide a work environment and a work climate that supports the well being, satisfaction, and motivation of each employee.

Purpose

This measure is intended to provide a “snapshot” assessment of employee attitudes and morale. An in-depth assessment was not accomplished this year. We elected to take a random sample of employees to participate in answering key questions relating to safety, responsiveness, continuous improvement, credibility, on-time, and within budget. Additional questions were asked to determine the general perceptions of employment with and support from the Cabinet.

Method

Employees were randomly selected to participate in this year’s survey. The survey was sent via electronic mail to employees throughout the Transportation Cabinet during the month of July. Employees had three options for responding to the survey, which included electronic reply, messenger delivery of completed printed copy, or hand delivery of printed copy. Selected employees were encouraged, but not required to participate. The Office of Quality administered the survey to ensure employees of confidentiality of responses provided.

Improvement/Results

1 = Strongly Agree 2 = Agree 3 = Disagree 4 = Strongly Disagree 5 = Not Important

Question	Average Answer 2002	Average Answer 2003
1. I believe KYTC is a safe environment to work in.	1.90	2.06
2. I believe KYTC is responsive to my needs.	2.27	2.35
3. I am involved in continuous improvement activities as much as I want to be.	2.15	2.18
4. I believe supervisors do what they say they will do.	2.17	2.41
5. I have the ability to accomplish my work on time.	1.88	1.94
6. I have the ability to accomplish my work within budget.	2.03	2.29
7. I believe KYTC offers all the training I need to do my work.	1.93	2.35
8. I believe my overall benefits meet my basic needs.	2.12	2.32
9. KYTC provides a pleasant working environment.	2.22	2.24
10. I would recommend KYTC as a preferred place of employment.	2.10	2.26
AVERAGE	2.08	2.24

The results indicate that we do not have major concerns with employees’ perceptions about employment and the working environment because the overall answer was “Agree”. However, we should note that there has been a **decrease** in satisfaction from 2002 to 2003, in all questions. The largest change occurred in Question 7, “I believe KYTC offers all the training I need to do my work”. The change in this answer was – 0.42.

Employee Suggestion Program

Background

The Employee Suggestion Program was established by KRS 18A.110 and 101 KAR 2:120 as an incentive program for all state employees. Any employee with status in the classified service (merit system) may be recognized and rewarded for submitting a suggestion that results in the improvement of state service or in the realization of savings by the State. The Transportation Cabinet's Employee Suggestion System Coordinator within the Division of Personnel Services is responsible for processing suggestions made by the employee. The coordinator initially reviews suggestions, researches appropriateness of suggestions and represents the Cabinet on the Employee Suggestion Council, which consists of representatives from all state government agencies. The Council must approve all suggestions.

Purpose

According to the statute (101 KAR 2:120), a suggestion shall be a positive idea which: a) explains how to improve methods, equipment or procedures; b) reduces time or cost of a work operation; c) creates a safer work environment; d) increases revenue; or e) improves relationships with or services for the public. This program provides a means for employees to improve Cabinet activities on an on-going basis.

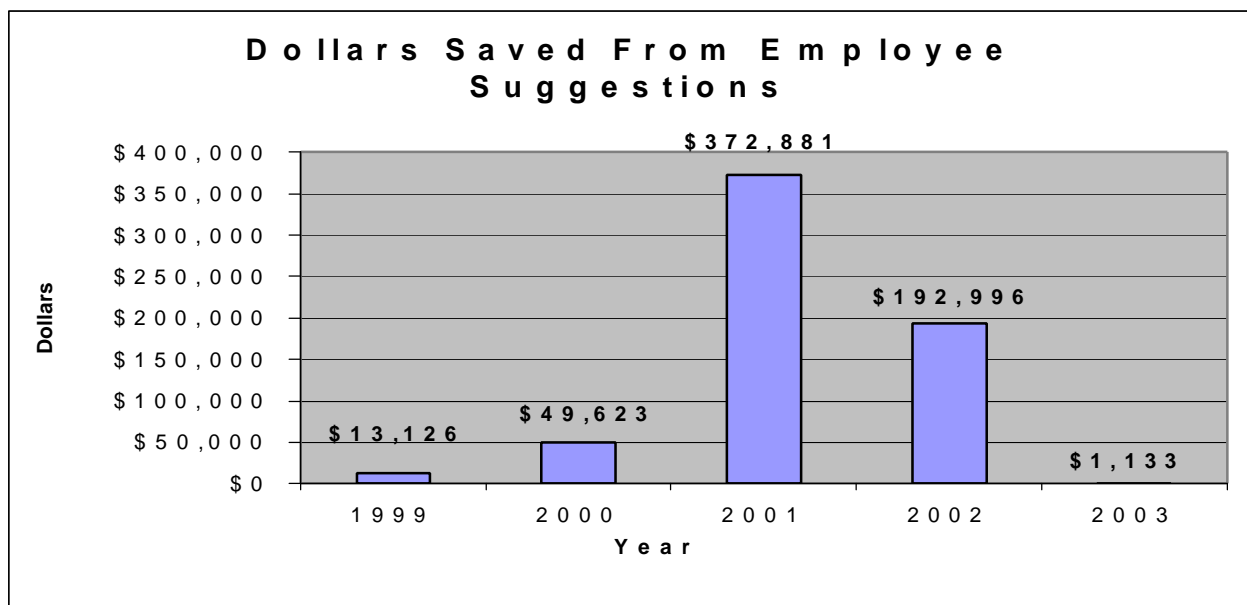
Method

Employees must complete an Employee Suggestion Form and submit it. The Cabinet coordinator determines if the employee is eligible to participate and whether the suggestion duplicates a previous suggestion or is ineligible. An evaluation of the employee suggestion is completed and the suggestion is either approved or denied.

An approved suggestion is eligible for a monetary award of 10% of the first year savings of the implemented suggestion with a minimum of \$100 and a maximum of \$2500. An approved suggestion for which no savings can be determined, or there is no actual savings is eligible for the minimum reward of \$100.

Improvement/Results

The savings amounts shown on this chart are calculated based on fiscal year.



The savings amounts shown on the above chart are calculated based on calendar year. In order to achieve Objective K4.3, Increase the dollar amount of savings identified through employee suggestions by 10% by 30 June 2004, the Department of Human Resources Management and the Division of Personnel Services have taken the following steps:

- The Employee Suggestion Evaluation Committee will hold regular meetings to discuss suggestions.
- Developed Employee Suggestion Program promotional materials (including a link off of Personnel's Web page) and distributed them throughout the Cabinet.
- Presents information on the Employee Suggestion Program during every new employee orientation session.

These steps have been taken to create ongoing employee awareness and participation of the Employee Suggestion Program and to process submitted proposals in a more efficient and timely manner.

Transportation Security

The Transportation Cabinet, over the last year, has developed and delivered a statewide awareness program for Transportation field personnel. The awareness topics covered are hazardous materials, weapons of mass destruction, first responder, incident management, and terrorism. To this point in time, the Cabinet has trained bridge inspectors and traffic, maintenance, and construction personnel from the twelve Highway Districts. In the coming year, we will continue to provide awareness training for field personnel.

The Cabinet has participated in national workshops to identify transportation vulnerabilities and strengthen security of our highway infrastructure. A preliminary list of vulnerable highway facilities has been developed. These efforts are ongoing and will continue to be a priority for the Cabinet.

The Cabinet is a member of the Governor's Homeland Security Task Force. We have also discussed transportation security issues with the major railroads serving Kentucky.

Emergency Response

Transportation Cabinet has worked and continues to work cooperatively with the Division of Emergency Management in response to natural or man made disasters. The Cabinet provides a representative to assist in managing response and recovery efforts that affect the transportation system. This representative acts on behalf of the Cabinet to identify and mobilize the Cabinet's equipment, material, and manpower resources as needed.

The Cabinet has initiated the development of an Emergency Response Plan to enable quick response for any natural or man made disaster. We have met to identify needs and to determine the direction the Cabinet must go in order to meet the needs of the Commonwealth. The Emergency Response Plan will be a living document in need of constant updating as the needs of the Commonwealth change.

Succession Planning

Advanced Leadership Academy

The Transportation Cabinet initiated a new internal program in 2001, the Advanced Leadership Academy (ALA), to identify and develop its future leaders. The ALA is a tool for formal and strategic succession planning that will “grow” knowledgeable and skilled leaders of state transportation programs. From a rigorous application process, 15 candidates were selected for the inaugural 2002 class and 12 were selected in 2003.

In the first year, of the two-year curriculum, participants attend monthly training sessions in such topics as cabinet culture and leadership, strategic management, legislative and legal issues, managing human capital, quality processes, performance measurement, budgeting, politics, media communications, project management, and policies and procedures development. During the second year, participants are paired with executive mentors and develop analytical projects that require broad knowledge of Cabinet operations. In addition to gaining technical knowledge, graduates are expected to have developed insight and leadership skills that will be used to improve Cabinet management, thus enabling the agency to better respond to the needs of the citizens of the Commonwealth.

Engineer in Training (EIT) Rotation Program

In 1984, the Kentucky Transportation Cabinet (KYTC) began an Engineer in Training Rotation Program. The goal of this rotation is to help individuals see the Cabinet as a whole organization, not just the division or branch where the EIT is working daily. This program gives engineering graduates a chance to experience various types of work in several division programs, gain valuable understanding of how these programs work together in a large organization, make valuable contacts that could provide mentoring during their careers, and make better informed decisions about what division programs they might want to pursue in permanent employment.

KYTC's Civil Engineering Scholarship Program has provided highly qualified individuals to fill the hiring needs of and improve overall engineering expertise within the Cabinet. Upon graduation from the program, individuals choose the top three locations in the state where they desire permanent employment. Upon establishing a location (from Paducah to Pikeville, west to east), the graduate will be set up on a rotation path through each of six central office divisions or district branches (i.e., Planning, Design, Construction, Operations, Traffic, Materials). The graduate will then work in each of these locations for two to three months, gaining experience about what that division does, how the work coordinates with other areas, and who in each area performs specific duties. At the end of this first year, the EIT will then have the chance to work permanently in one of those chosen locations, depending on the hiring needs in that division or district. The second year is an Intensive Assignment that gives the employee a chance to develop relationships, find out in which section the EIT best fits, and be subsequently trained under a Professional Engineer to obtain the required experience to become a licensed professional engineer in this state.

As with the Scholarship Program being the only one of its kind in the nation, very few Departments of Transportation have a rotation program like Kentucky's. This program provides a unique opportunity for graduates and supervisors alike to train and learn. Each supervisor has a chance to make his or her rotating division/branch the EIT's highlight experience, making that new EIT want to come back to that division permanently. Periodically, the EIT will like a particular rotation station and the division will have a dire need; consequently, the employee may stop further rotation and permanently locate. While that's permissible, the Cabinet recommends that the EIT finish the complete rotation of six program locations in order to make an informed decision about permanent career selection and to bring that diverse experience into his or her permanent assignment. As position numbers allow, engineering graduates from outside of the scholarship program have also been hired into the rotation program. This provides an excellent opportunity for the new hire to see the organization as a whole, instead of just being hired into a position and gaining experience in only one division.

Historical data for this program is being collected by the Kentucky Transportation Center. By 2004 the Cabinet will be able to report the number of engineers who have rotated in this program since inception and how many of those employees have become permanent, career employees.

We now have 24 Engineers in Training on rotation in our 12 districts and two in the central office, with three more currently on Intensive Assignment in the central office as of June 2003.

Absenteeism

Background

Employees, who are satisfied with their work, generally have better attendance rates. Thus, employee satisfaction can be reflected in absenteeism rates. This performance measure provides information on leave without pay and sick leave.

Purpose

Absenteeism can reflect on an employee's dedication to duties and job satisfaction level. It can have an impact on the workload and productivity of other employees who remain on the job. The purpose of this measure is to gauge employee desire to be at work, and to provide comparisons from one year to another.

Method

Absenteeism data will be collected annually by the Division of Personnel Services with assistance from the Division of Accounts.

Improvement/Results

Rates for sick leave usage during the last four Fiscal Years has been on declining trend. Approved and unapproved leave without pay has been decreasing since FY' 01.

The Cabinet's goal is to reduce the amounts of sick leave and leave without pay taken by the end of FY 2003 to 3.50% from 1999's yearly rate of 4.62%. At the end of FY '02, the average was 4.43%, and at the end of FY '03 the average was slightly lower at 4.28%. Even though the Cabinet was unable to meet our goal for FY'03 of 3.50%, the Cabinet is slowly moving in the right direction. Much improvement is still necessary if we want to reach our goal of 3.50%. Of the total hours reported, leave time percentages during the fiscal years are as follows:

Reporting Period	Total Hours Reported	Sick Leave Used (Hrs / %)	Approved Leave Without Pay Used (Hrs / %)	Unapproved Leave Without Pay Used (Hrs / %)
FY 2000 July 1, 1999- June 30, 2000	13,243,611.06	545,215.67 (4.117%)	35,515.26 (0.268%)	30,017.83 (0.227%)
FY 2001 July 1, 2000- June 30, 2001	12,889,016.26	510,425.25 (3.960%)	39,290.89 (0.305%)	26,733.36 (0.208%)
FY 2002 July 1, 2001- June 30, 2002	13,023,737.76	515,769.55 (3.960%)	37,266.04 (0.286%)	23,430.35 (0.180%)
FY 2003 July 1, 2002- June 30, 2003	13,112,833.54	503,206.17 (3.838%)	35,852.86 (0.273%)	21,457.41 (0.164%)

Personnel requires managers to provide written explanation for all employees acquiring unapproved leave without pay and managers will also be encouraged to consider leave balances for all personnel actions affecting compensation in order to provide an incentive to reduce absenteeism.

Employee Turnover Rate

Background

Employees who are satisfied with their employment generally stay with their employer longer. Employee satisfaction can be reflected in turnover rate. Although many factors can be involved with turnover rate, it is acknowledged that a lower rate is better.

Purpose

This measurement provides an indicator of employee satisfaction. Setting aside unusual events such as retirement incentives, the turnover rate can measure the level of attachment and loyalty employees feel for our Cabinet.

Method

The Transportation Cabinet analyzes turnover data provided by the Personnel Cabinet.

Improvement/Results

Employee turnover in FY '03 decreased to 3.74% as compared to FY '02's rate of 4.29%. The last three years have seen a decreasing trend, which fall under the Cabinet's goal of **6%**. Data includes employee resignations, terminations, deaths and military leave.

It is noted there was a slight increase in Cabinet personnel being placed on military leave in FY '03. This number has continued to increase since September 11, 2001 and with the U.S. attack on Iraq.

To maintain or possibly improve the current turnover rates, Personnel Services has developed an Employee Exit Interview form for voluntary separations. The information obtained on the form will help determine areas in which improvements can be made to retain skilled and experienced employees. Personnel Services will also continue to monitor turnover within individual divisions and districts and advise when the number of separations is excessive. As the chart below demonstrates the numbers for all areas, with the obvious exception of Military Leave, has decreased since FY '02.

A breakdown of employee turnover is as follows:

	July 2000 - June 2001		July 2001 - June 2002		July 2002 - June 2003	
	# of Separations	Percentage	# of Separations	Percentage	# of Separations	Percentage
Resignations	226	3.72%	191	3.13%	155	2.57%
Terminations	32	0.53%	44	0.72%	36	0.60%
Death	19	0.31%	16	0.26%	15	0.25%
Military Leave	3	0.05%	11	0.18%	19	0.32%
Totals	280	4.61%	262	4.29%	225	3.74%

Note: There were 215 retirements in FY '01 and 287 in FY '02 and 182 retirements as of 31 July 2003.

Lost Workdays

Background

As a companion measure to OSHA recordable incident rates, this measure gives information on workdays lost due to on-the-job accidents. Lost workdays usually impact productivity.

Purpose

This measure assists in tracking employee safety.

Method

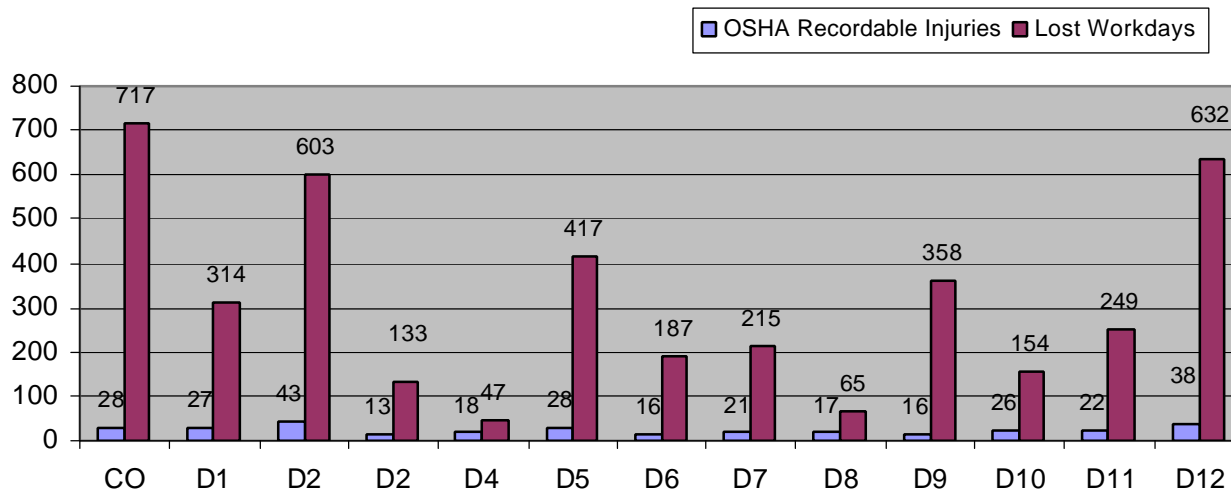
Lost workdays are recorded by calendar year, not fiscal year. Lost workdays are based on OSHA requirements, and by District.

Improvements/Results

An improvement is shown by a decrease. With the new OSHA 300 Standards taking affect January 1, 2002, there has been an increase in the number of lost workdays. The new standard includes weekends and holidays in lost workdays. Lost workdays were up by 17%. The 2002 lost workdays of 4,091 times 8 hours per day resulted in 32,728 hours of lost productivity.



2002 OSHA Recordable Injuries and Lost Workdays For Central Office and Districts



Statewide Statistics Comparison for 2001-2002

District	Injuries/Illnesses			OSHA Recordables			Lost Workdays		
	2001	2002	% Change	2001	2002	% Change	2001	2002	% Change
	87	88	1%	44	28	-36%	424	717	69%
D1	63	59	-6%	28	27	-4%	223	314	41%
D2	77	82	6%	40	43	8%	308	603	96%
D3	41	29	-29%	23	13	-43%	133	133	0%
D4	30	40	21%	18	18	0%	41	47	15%
D5	28	43	54%	15	28	87%	191	417	118%
D6	33	39	18%	7	16	129%	210	187	-11%
D7	53	39	-26%	37	21	-43%	223	215	-4%
D8	25	32	-22%	19	17	-11%	47	65	38%
D9	19	32	68%	7	16	129%	67	358	434%
D10	56	46	-18%	33	26	-21%	512	154	-70%
D11	26	38	46%	11	22	100%	294	249	-15%
D12	44	61	39%	26	38	46%	821	632	-23%
TOTALS	592	621	5%	308	313	2%	3494	4091	17%

As part of the Cabinet's efforts to keep illnesses, injuries, and accidents to a minimum, employees received 34,043.50 hours of safety training in 2002, provided by the Division of Employee Safety and Health.

Workers' Compensation Claims

Background

The Division of Workers' Compensation administers procedures, policies, and laws in accordance with the *Worker's Compensation Act*, Chapter 342 of the Kentucky Revised Statutes enacted by the Kentucky General Assembly for the Transportation Cabinet. The Transportation Cabinet is the only Cabinet that is self-insured. The staff receives and processes daily workers' compensation First Report of Injury or Illness reports for Cabinet employees and reports all medical, suspicious, and fraudulent claims to the third-party administrator, GAB Robins North America, Inc. The staff also maintains records of injuries and program costs, develops and provides training concerning procedures and benefits, and oversees the Cabinet-wide "Return to Work" program.

Purpose

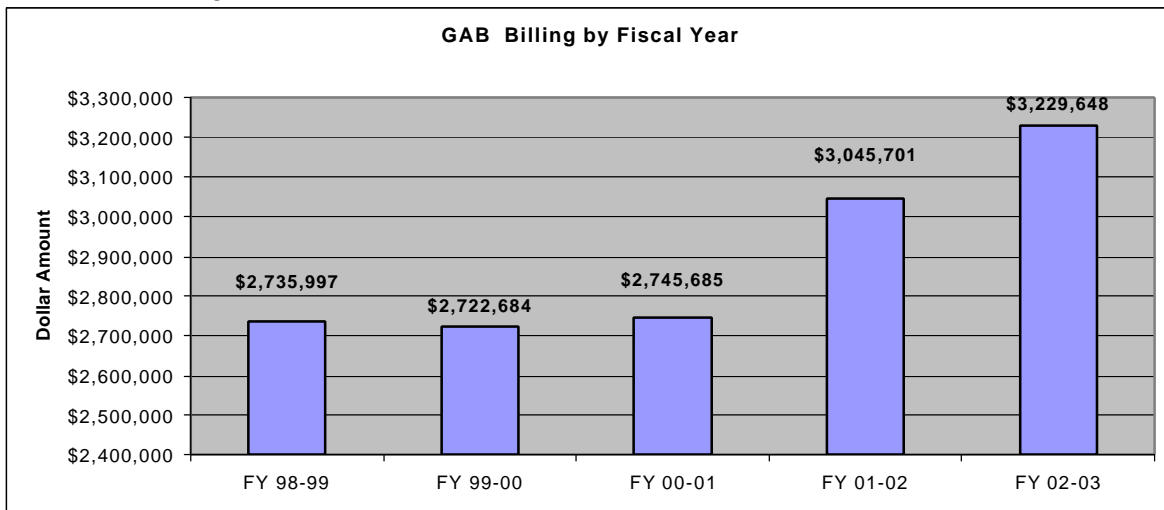
The Division of Workers' Compensation is actively concerned with providing timely and effective treatment and economic support to the injured worker at an affordable cost to the Cabinet. The yearly billings, charted below, indicate an increase for the last Fiscal Year due to the Workers' Compensation payments of death and dependent benefits. There is also an obligation for additional monies paid should an employee re-open his/her claim due to worsening of a previously submitted injury/illness.

Method

Data are compiled from First Report of Injury or Illness reports filed by the Districts and the Central Offices on injured employees. The data reported indicates the type of medical claims to be processed, if any were required. The category of "Medical Claim Filed" indicates the file was forwarded to GAB for claim processing. The category of "No Medical Claims Filed" is a large savings to the Cabinet, as they are not forwarded to the third-party carrier and only retained in-house, so there is no fee attached for the establishment of a claim.

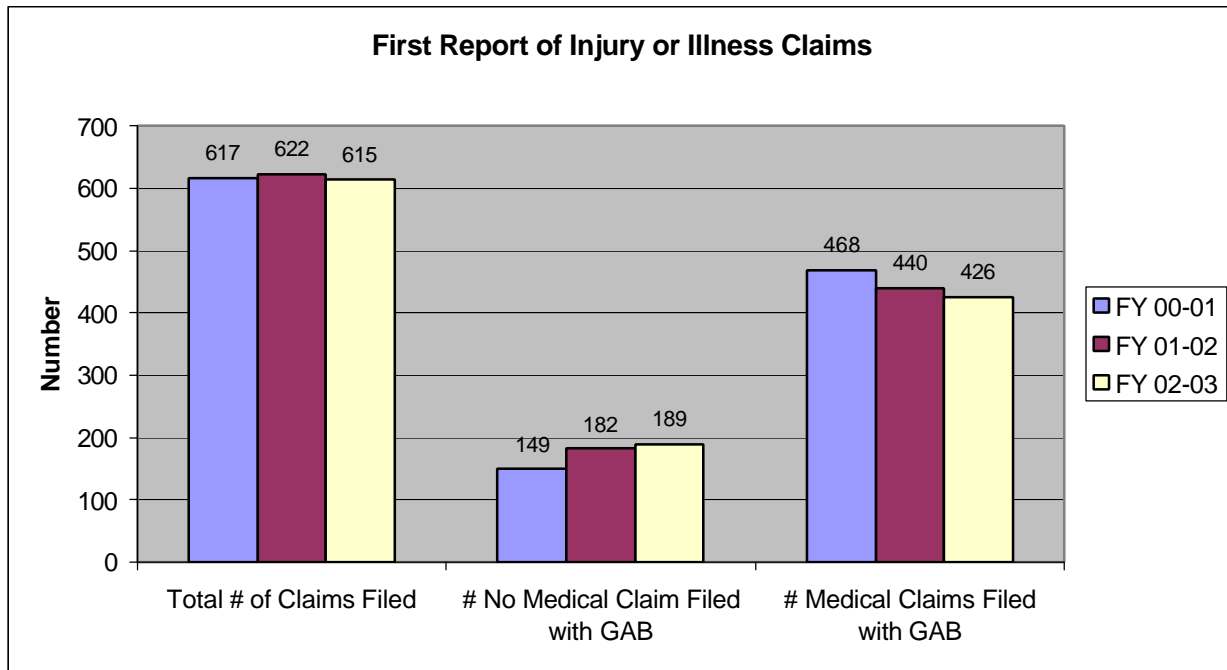
Improvement/Results

Education and training for all Workers' Compensation Coordinators is an absolute for the continued success of the "Return to Work" program and for the importance of timely reporting of the First Report of Injury or Illness. Reasonable efforts should be emphasized to control cost savings with major attention to injury prevention and stronger implementation of safety measures. Collaboration with the Division of Employee Safety and Health will be at the forefront and on going, as well as, further enhancement of partnerships with the third-party carrier and the medical management/rehabilitation.



The costs increased in FY 02-03, due to the three fatalities that occurred in District 11. One of the fatality's costs also included widow/dependent benefits.

The Division of Workers' Compensation is also striving to continue reducing Cabinet costs with the use of the "Return to Work" program. The "Return to Work" program allows injured employees to return to modified duty at work. This program provides the Cabinet with increased productivity hours and decrease in benefits paid. Since 2000, the "Return to Work" program has provided the Cabinet with a cost savings of \$5,340,524.19.



The "No Medical Claim Filed with GAB" has saved the Cabinet \$48,880.00 since July 1, 2000. By retaining these files in-house, within the Division of Workers' Compensation, we are not charged a fee by GAB for the establishment of a claim.

All First Reports of Injury or Illness are turned into Workers' Compensation for review and processing. If there is no medical claim filed for a report, the file is maintained in the Transportation Cabinet. If the report contains medical claims, the report is forwarded to GAB for claims processing. Worker's Compensation also retains files on any re-opened claims. Re-opened claims generally go into a litigation status to review when the claim was filed and what the law was at that time. Of the total reported claims, the decrease in those processed is due largely to the Cabinet's "Return to Work" program.

Information Technology Funding

This measure and information is under construction. Efforts are underway to identify performance measures for this area.

One primary measure under consideration is the percent of dollars expended/dedicated to technology. This year's percentage was 1.7%. Our initial thought for an expectation for this measurement is 2.5%.

Though this is an increase from last year's 1.45%, we are still far behind industry standards and our expectation.

Equal Employment Opportunities

Background

It is the policy of the Transportation Cabinet to assure equal employment opportunities to all persons. All Cabinet employees shall be treated impartially and without regard to race, color, religion, national origin, sex, age or disability in all aspects of employment, including, but not limited to hiring, rates of pay or other forms of compensation, upgrading, demotion or transfer, disciplinary actions, layoff, termination and selection for training programs within the Cabinet. The Office of Minority Affairs oversees, the Cabinet's Equal Employment Opportunity (EEO) programs, including the enforcement of Titles IV and VII of the Civil Rights Act.

Purpose

The Cabinet is committed to providing an Equal Employment Opportunity workplace.

Method

Data are collected from Personnel and forwarded to the Office of Minority Affairs. The data information is collected based on calendar year, not fiscal year, so 2002 data is not available at this time.

Improvement/Results

The Cabinet has established goals for minorities and women in the work force. The goal for percentage of females within the Cabinet is 20%. The Cabinet goal for the percentage of minority employees is 7.51%. We are currently meeting our goal of female employment within the Cabinet, but our goal of 7.51% for minority employees is not being met. Increased minority recruitment and other avenues of increasing minority employment must be explored in order to meet our goal for minority employment.

